



U.S. Department of Justice
Office of the Associate Attorney General

7/29/82

TO: John Roberts
FROM: Renee L. Szybala *RS*
RE: 7/8 Memo Concerning
Pentathalon Matter

As you can see from the attached,
the Criminal Division has already
reviewed this matter.

If you believe anything else should
be done, please let me know.

*call in
to
Division*

United States Department of Justice

UNITED STATES ATTORNEY

WESTERN DISTRICT OF TEXAS
655 E. DURANGO BLVD.
HEMISFAIR PLAZA
SAN ANTONIO, TEXAS 78206

January 15, 1982

Lt Colonel Jerome W. Scanlon, Jr
Staff Judge Advocate
Headquarters Fort Sam Houston
Fort Sam Houston, Texas 78234

Dear Lt Colonel Scanlon:

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Thank you for so thoroughly and objectively presenting to me, Assistant United States Attorneys Bill Blagg and Sidney Powell, and [REDACTED], Special Agent with the Federal Bureau of Investigation, the facts of the Pentathalon case. It was obvious throughout our lengthy meeting on December 1, 1981, that you, Captain Shackelford and Major De Teroil have done an exceptional amount of work on the case.

We have carefully considered your presentation and the information and materials you left with us, and we have particularly scrutinized the allegations against [REDACTED]

Our evaluation is that there is insufficient evidence of a conspiracy between these men as well as insufficient proof of substantive offenses. Additionally, even though [REDACTED] had a serious conflict of interest and may have caused several horses to be accepted by the Pentathalon Association when their donors had intended for the horses to be given to the United States Army, his actions resulted in no financial harm to the Army. Any financial gain inured to the benefit of the non-profit Pentathalon Association, and these facts leave us with little evidence of criminal intent. For these reasons, my assistants and I have agreed that this case should not be prosecuted, and we decline to do so.

Thank you again for your detailed analysis and presentation of this case. It is always a pleasure to work with you.

Very truly yours

Edward C Prado

EDWARD C. PRADO
United States Attorney

DLJ:JJG:HD:JMC:cec
46-12C-0

DEC 22 1981

Mr. Robert G. Marbut, Jr.
Story House
Claremont McKenna College
Claremont, California 91791

Dear Mr. Marbut:

Your letter of November 23, 1981 to the Attorney General concerning the investigation of the U.S. Modern Pentathlon Training Center at Fort Sam Houston, Texas has been referred to the Criminal Division for response. You are concerned that the Department of Justice may decide not to seek prosecution in this matter.

The United States Attorney's Office in San Antonio, Texas has declined to seek prosecution of this matter due to an insufficiency of evidence to prove criminal intent. This matter has been reviewed by Fraud Section personnel and it was found that the decision of the United States Attorney's Office was made after careful consideration of the individual factors of this case, and, therefore, we see no reason to disturb that determination.

Sincerely,

D. Lowell Jensen
Assistant Attorney General
Criminal Division

By: Harold Damelin
Chief, Government Fraud Branch

cc: Ms. Sidney Powell
Assistant Attorney General
San Antonio, Texas

SAN ANTONIO, TEXAS

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UNITED STATES ATTORNEY

WESTERN DISTRICT OF TEXAS

655 E. DURANGO BLVD.

HEMISFAIR PLAZA

SAN ANTONIO, TEXAS 78206

November 26, 1980

Mr. John D. McGuire
Department of the Army
Fort Sam Houston Field Office
Third Region
Fort Sam Houston, Texas 78234

Dear Mr. McGuire:

As promised at our last meeting, I have thoroughly reviewed the reports and information compiled during your investigation in the operations of the US Modern Pentathlon Training Center at Fort Sam Houston, Texas. I have particularly reviewed the possible allegations of fraud, larceny and conflict of interest concerning [redacted] activities at the center. Although it is clear that [redacted] realized profits in several incidents of the sale of horses from the Center, I do not feel that there is sufficient evidence of [redacted] willfulness in connection with the disposal of these animals. In that same regard, 18 USC Section 663, dealing with the solicitation or use of gifts for the Government also requires criminal intent.

As we have discussed previously, the allegations concerning [redacted] annual leave and travel vouchers do not amount to criminal violations and should be handled administratively and this district does not have jurisdiction of any possible false statements [redacted] made to the Inspector General's Office in Washington, D.C.

Far too often, when an investigation fails to result in prosecution, the diligence and effort of those conducting an investigation is overlooked. I would like to take this opportunity to personally commend you and your fellow agents for an extremely thorough and detailed investigation into this matter. I know that your investigation has resulted in improvements at the center and will bring to everyone's attention the necessity of conducting the center's affairs in an ethical and legal manner. This result, in and of itself clearly justifies the extraordinary efforts of your task force.

If I can be of any further assistance in this or any other matter please advise.

Very truly yours,

JAMIE C. BOYD
United States Attorney

W. Ray Jahn
W. Ray Jahn, Chief
Special Crimes Unit

EXHIBIT

~~FOR OFFICIAL USE ONLY~~

Encl 3

cc: Major General Paul L. Timmerburg
U.S. Army Criminal Intelligence Command

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Memorandum



Subject Meeting With Robert G. Marbut	Date July 9, 1982
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To The Files From John Roberts

Robert G. Marbut, President and Chief Executive Officer of Harte Hanks Communications, Inc., of San Antonio, met with Ken Starr and John Roberts on June 30 to discuss corruption in the Army's pentathlon program, run out of Fort Sam Houston in Texas. Mr. Marbut's interest, which appears to be quite sincere, arose out of his son's involvement as a contestant in the pentathlon. According to Mr. Marbut, an internal Army CID investigation of corruption in the pentathlon program, costing over \$2 million, resulted in a 10,000 page report, issued in September 1981, detailing 104 counts of mail fraud, larceny, and illegal gifts. The Army's John McGuire directed the investigation. Mr. Marbut gave one example of a corrupt transaction, which he maintained was typical of the counts substantiated in the CID report. According to Mr. Marbut, a \$20,000 pentathlon horse was donated to the Army pentathlon team by [REDACTED]. Army officials, however, arranged for the horse to be auctioned on the cheap to an army official in charge of the pentathlon program, and it was never used by the pentathlon team. This instance and others like it were, according to Mr. Marbut, the subject of several press stories at the time, and were covered on the NBC "Sports World" television program.

The new U.S. Attorney in San Antonio, Ed Prado, received the Army's CID report, but declined prosecution. Mr. Marbut seemed particularly concerned that Mr. Prado was not even present at the entire meeting when the charges were discussed, and that John McGuire, the CID investigator most familiar with the case, was not even invited to attend. Mr. Marbut fears that Mr. Prado's decision not to prosecute may have been based on inexperience rather than a careful evaluation of what Marbut considers clear and documented violations of the law. Marbut raised these concerns with Prado on December 31, 1981, but was not satisfied with Prado's responses.

Marbut, a member of the Board of Directors of Associated Press, indicates that the matter will come up in the press, particularly as the Olympics approach. He thinks the matter could reflect adversely on the U.S. Attorneys office in San Antonio and the Justice Department, because of the clear

evidence of corruption in the pentathlon program, and the unwillingness of the Department of Justice to undertake any prosecution. Marbut notes that internal army discipline was scant.

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